

UNIFORM FEES ON PERSONAL PROPERTY

AMENDMENTS

2006 FIFTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Patrick Painter

Senate Sponsor: Howard A. Stephenson

LONG TITLE

General Description:

This bill amends the Property Tax Act to address the property tax treatment of tangible personal property required to be registered with the state.

Highlighted Provisions:

This bill:

- provides and modifies definitions;
- modifies the uniform fees on certain tangible personal property required to be registered with the state;
- requires a county to make refunds to certain qualifying individuals;
- requires a county to notify owners of tangible personal property of the procedure to file for a refund; and
- makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an effective date.

This bill provides revisor instructions.

Utah Code Sections Affected:



AMENDS:

59-2-405.2, as enacted by Chapter 244, Laws of Utah 2005

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-2-405.2** is amended to read:

59-2-405.2. Definitions -- Uniform statewide fee on certain tangible personal property -- Distribution of revenues -- Rulemaking authority -- Determining the length of a vessel.

(1) As used in this section:

(a) (i) Except as provided in Subsection (1)(a)(ii), "all-terrain vehicle" means a motor vehicle that:

(A) is an:

(I) all-terrain type I vehicle as defined in Section 41-22-2; or

(II) all-terrain type II vehicle as defined in Section 41-22-2;

(B) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway Vehicles; and

(C) has:

(I) an engine with more than ~~[100]~~ 150 cubic centimeters displacement;

(II) a motor that produces more than five horsepower; or

(III) an electric motor; and

(ii) notwithstanding Subsection (1)(a)(i), "all-terrain vehicle" does not include a snowmobile[;].

(b) "Camper" means a camper:

(i) as defined in Section 41-1a-102; and

(ii) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2, Registration[;].

(c) (i) "Canoe" means a vessel that:

(A) is long and narrow;

(B) has curved sides; and

(C) is tapered:

(I) to two pointed ends; or

(II) to one pointed end and is blunt on the other end; and

(ii) "canoe" includes:

(A) a collapsible inflatable canoe;

(B) a kayak;

(C) a racing shell; or

(D) a rowing scull.

~~[(e)]~~ (d) "Dealer" is as defined in Section 41-1a-102[;].

(e) "Jon boat" means a vessel that:

(i) has a square bow; and

(ii) has a flat bottom.

~~[(d)]~~ (f) "Motor vehicle" is as defined in Section 41-22-2[;].

~~[(e)]~~ (g) "Other motorcycle" means a motor vehicle that:

(i) is:

(A) a motorcycle as defined in Section 41-1a-102; and

(B) designed primarily for use and operation over unimproved terrain;

(ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2, Registration;

and

(iii) has:

(A) an engine with more than ~~[100]~~ 150 cubic centimeters displacement; or

(B) a motor that produces more than five horsepower[;].

~~[(f)]~~ (h) (i) "Other trailer" means a portable vehicle without motive power that is primarily

79 used:

80 (A) to transport tangible personal property; and

81 (B) for a purpose other than a commercial purpose; and

82 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for
83 purposes of Subsection (1)~~(f)~~(h)(i)(B), the commission may by rule define what constitutes a
84 purpose other than a commercial purpose~~;~~.

85 ~~(g)~~ (i) "Outboard motor" is as defined in Section 41-1a-102~~;~~.

86 ~~(h)~~ (j) "Personal watercraft" means a personal watercraft:

87 (i) as defined in Section 73-18-2; and

88 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State Boating
89 Act~~;~~.

90 (k) (i) "Pontoon" means a vessel that:

91 (A) is:

92 (I) supported by one or more floats; and

93 (II) propelled by either inboard or outboard power; and

94 (B) is not:

95 (I) a houseboat; or

96 (II) a collapsible inflatable vessel; and

97 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
98 commission may by rule define the term "houseboat".

99 (l) "Qualifying adjustment, exemption, or reduction" means an adjustment, exemption, or
100 reduction:

101 (i) of all or a portion of a qualifying payment;

102 (ii) granted by a county during the refund period; and

103 (iii) received by a qualifying person.

104 (m) (i) "Qualifying payment" means the payment made:

105 (A) of a uniform statewide fee in accordance with this section:
106 (I) by a qualifying person;
107 (II) to a county; and
108 (III) during the refund period; and
109 (B) on an item of qualifying tangible personal property; and
110 (ii) if a qualifying person received a qualifying adjustment, exemption, or reduction for an item
111 of qualifying tangible personal property, the qualifying payment for that qualifying tangible personal
112 property is equal to the difference between:
113 (A) the payment described in this Subsection (1)(m) for that item of qualifying tangible
114 personal property; and
115 (B) the amount of the qualifying adjustment, exemption, or reduction.
116 (n) "Qualifying person" means a person that paid a uniform statewide fee:
117 (i) during the refund period;
118 (ii) in accordance with this section; and
119 (iii) on an item of qualifying tangible personal property.
120 (o) "Qualifying tangible personal property" means a:
121 (i) qualifying vehicle; or
122 (ii) qualifying watercraft.
123 (p) "Qualifying vehicle" means:
124 (i) an all-terrain vehicle with an engine displacement that is 100 or more cubic centimeters
125 but 150 or less cubic centimeters;
126 (ii) an other motorcycle with an engine displacement that is 100 or more cubic centimeters
127 but 150 or less cubic centimeters;
128 (iii) a small motor vehicle with an engine displacement that is 100 or more cubic centimeters
129 but 150 or less cubic centimeters;
130 (iv) a snowmobile with an engine displacement that is 100 or more cubic centimeters but 150

or less cubic centimeters; or

(v) a street motorcycle with an engine displacement that is 100 or more cubic centimeters but 150 or less cubic centimeters.

(q) "Qualifying watercraft" means a:

(i) canoe;

(ii) collapsible inflatable vessel;

(iii) jon boat;

(iv) pontoon;

(v) sailboat; or

(vi) utility boat.

(r) "Refund period" means the time period:

(i) beginning on January 1, 2006; and

(ii) ending on the day before the effective date of this bill.

(s) "Sailboat" means a sailboat as defined in Section 73-18-2.

~~[(t)]~~ (t) (i) "Small motor vehicle" means a motor vehicle that:

(A) is required to be registered in accordance with Title 41, Motor Vehicles; and

(B) has:

(I) an engine with ~~[400]~~ 150 or less cubic centimeters displacement; or

(II) a motor that produces five or less horsepower; and

(ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may by rule develop a process for an owner of a motor vehicle to certify whether the motor vehicle has:

(A) an engine with ~~[400]~~ 150 or less cubic centimeters displacement; or

(B) a motor that produces five or less horsepower~~[:]~~.

~~[(u)]~~ (u) "Snowmobile" means a motor vehicle that:

(i) is a snowmobile as defined in Section 41-22-2;

- 157 (ii) is required to be registered in accordance with Title 41, Chapter 22, Off-Highway
158 Vehicles; and
- 159 (iii) has:
- 160 (A) an engine with more than [~~100~~] 150 cubic centimeters displacement; or
- 161 (B) a motor that produces more than five horsepower[;].
- 162 [~~(k)~~] (v) "Street motorcycle" means a motor vehicle that:
- 163 (i) is:
- 164 (A) a motorcycle as defined in Section 41-1a-102; and
- 165 (B) designed primarily for use and operation on highways;
- 166 (ii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2, Registration;
- 167 and
- 168 (iii) has:
- 169 (A) an engine with more than [~~100~~] 150 cubic centimeters displacement; or
- 170 (B) a motor that produces more than five horsepower[;].
- 171 (w) "Tangible personal property owner" means a person that owns an item of qualifying
172 tangible personal property.
- 173 [~~(t)~~] (x) "Tent trailer" means a portable vehicle without motive power that:
- 174 (i) is constructed with collapsible side walls that:
- 175 (A) fold for towing by a motor vehicle; and
- 176 (B) unfold at a campsite;
- 177 (ii) is designed as a temporary dwelling for travel, recreational, or vacation use;
- 178 (iii) is required to be registered in accordance with Title 41, Chapter 1a, Part 2, Registration;
- 179 and
- 180 (iv) does not require a special highway movement permit when drawn by a self-propelled
181 motor vehicle[;].
- 182 [~~(m)~~] (y) (i) Except as provided in Subsection (1)[~~(m)~~](y)(ii), "travel trailer" means a travel

183 trailer:

184 (A) as defined in Section 41-1a-102; and

185 (B) that is required to be registered in accordance with Title 41, Chapter 1a, Part 2,

186 Registration; and

187 (ii) notwithstanding Subsection (1)(~~m~~)(y)(i), "travel trailer" does not include:

188 (A) a camper; or

189 (B) a tent trailer~~;~~ and].

190 (z) (i) "Utility boat" means a vessel that:

191 (A) has:

192 (I) two or three bench seating;

193 (II) an outboard motor; and

194 (III) a hull made of aluminum, fiberglass, or wood; and

195 (B) does not have:

196 (I) decking;

197 (II) a permanent canopy; or

198 (III) a floor other than the hull; and

199 (ii) notwithstanding Subsection (1)(z)(i), "utility boat" does not include a collapsible inflatable
200 vessel.

201 [~~n~~] (aa) "Vessel" means a vessel:

202 (i) as defined in Section 73-18-2, including an outboard motor of the vessel; and

203 (ii) that is required to be registered in accordance with Title 73, Chapter 18, State Boating

204 Act.

205 (2) (a) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),

206 beginning on January 1, 2006, the tangible personal property described in Subsection (2)(b) is:

207 (i) exempt from the tax imposed by Section 59-2-103; and

208 (ii) in lieu of the tax imposed by Section 59-2-103, subject to uniform statewide fees as

provided in this section.

(b) The following tangible personal property applies to Subsection (2)(a) if that tangible personal property is required to be registered with the state:

- (i) an all-terrain vehicle;
- (ii) a camper;
- (iii) an other motorcycle;
- (iv) an other trailer;
- (v) a personal watercraft;
- (vi) a small motor vehicle;
- (vii) a snowmobile;
- (viii) a street motorcycle;
- (ix) a tent trailer;
- (x) a travel trailer; and
- (xi) a vessel if that vessel is less than 31 feet in length as determined under Subsection (6).

(3) For purposes of this section, the uniform statewide fees are:

(a) for an all-terrain vehicle, an other motorcycle, or a snowmobile:

Age of All-Terrain Vehicle, Other Motorcycle, or Snowmobile	Uniform Statewide Fee
12 or more years	\$10
9 or more years but less than 12 years	\$20
6 or more years but less than 9 years	\$30
3 or more years but less than 6 years	\$35
Less than 3 years	\$45

(b) for a camper or a tent trailer:

Age of Camper or Tent Trailer	Uniform Statewide Fee
12 or more years	\$10
9 or more years but less than 12 years	\$25

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235	6 or more years but less than 9 years	\$35
236	3 or more years but less than 6 years	\$50
237	Less than 3 years	\$70
238	(c) for an other trailer:	
239	Age of Other Trailer	Uniform Statewide Fee
240	12 or more years	\$10
241	9 or more years but less than 12 years	\$15
242	6 or more years but less than 9 years	\$20
243	3 or more years but less than 6 years	\$25
244	Less than 3 years	\$30
245	(d) for a personal watercraft:	
246	Age of Personal Watercraft	Uniform Statewide Fee
247	12 or more years	\$10
248	9 or more years but less than 12 years	\$25
249	6 or more years but less than 9 years	\$35
250	3 or more years but less than 6 years	\$45
251	Less than 3 years	\$55
252	(e) for a small motor vehicle:	
253	Age of Small Motor Vehicle	Uniform Statewide Fee
254	6 or more years	\$10
255	3 or more years but less than 6 years	\$15
256	Less than 3 years	\$25
257	(f) for a street motorcycle:	
258	Age of Street Motorcycle	Uniform Statewide Fee
259	12 or more years	\$10
260	9 or more years but less than 12 years	\$35

261	6 or more years but less than 9 years	\$50
262	3 or more years but less than 6 years	\$70
263	Less than 3 years	\$95

264 (g) for a travel trailer:

265	Age of Travel Trailer	Uniform Statewide Fee
266	12 or more years	\$20
267	9 or more years but less than 12 years	\$65
268	6 or more years but less than 9 years	\$90
269	3 or more years but less than 6 years	\$135
270	Less than 3 years	\$175

271 ~~[(h) for a vessel that is less than 15 feet in length;]~~

272 (h) \$10 regardless of the age of the vessel[;] if the vessel is:

273 (i) less than 15 feet in length;

274 (ii) a canoe;

275 (iii) a jon boat; or

276 (iv) a utility boat;

277 (i) for a collapsible inflatable vessel, pontoon, or sailboat, regardless of age:

278	<u>Length of Vessel</u>	<u>Uniform Statewide Fee</u>
279	<u>15 feet or more in length but less than 19 feet in length</u>	<u>\$15</u>
280	<u>19 feet or more in length but less than 23 feet in length</u>	<u>\$25</u>
281	<u>23 feet or more in length but less than 27 feet in length</u>	<u>\$40</u>
282	<u>27 feet or more in length but less than 31 feet in length</u>	<u>\$75</u>

283 [(†)] (j) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 284 sailboat, or utility boat, that is 15 feet or more in length but less than 19 feet in length:

285	Age of Vessel	Uniform Statewide Fee
286	12 or more years	\$25

287	9 or more years but less than 12 years	\$65
288	6 or more years but less than 9 years	\$80
289	3 or more years but less than 6 years	\$110
290	Less than 3 years	\$150

291 ~~[(j)]~~ (k) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 292 sailboat, or utility boat, that is 19 feet or more in length but less than 23 feet in length:

293	Age of Vessel	Uniform Statewide Fee
294	12 or more years	\$50
295	9 or more years but less than 12 years	\$120
296	6 or more years but less than 9 years	\$175
297	3 or more years but less than 6 years	\$220
298	Less than 3 years	\$275

299 ~~[(k)]~~ (l) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 300 sailboat, or utility boat, that is 23 feet or more in length but less than 27 feet in length:

301	Age of Vessel	Uniform Statewide Fee
302	12 or more years	\$100
303	9 or more years but less than 12 years	\$180
304	6 or more years but less than 9 years	\$240
305	3 or more years but less than 6 years	\$310
306	Less than 3 years	\$400

307 ~~[(l)]~~ (m) for a vessel, other than a canoe, collapsible inflatable vessel, jon boat, pontoon,
 308 sailboat, or utility boat, that is 27 feet or more in length but less than 31 feet in length:

309	Age of Vessel	Uniform Statewide Fee
310	12 or more years	\$120
311	9 or more years but less than 12 years	\$250
312	6 or more years but less than 9 years	\$350

313	3 or more years but less than 6 years	\$500
314	Less than 3 years	\$700

315 (4) Notwithstanding Section 59-2-407, tangible personal property subject to the uniform
316 statewide fees imposed by this section that is brought into the state shall, as a condition of registration,
317 be subject to the uniform statewide fees unless all property taxes or uniform fees imposed by the state
318 of origin have been paid for the current calendar year.

319 (5) (a) The revenues collected in each county from the uniform statewide fees imposed by
320 this section shall be distributed by the county to each taxing entity in which each item of tangible
321 personal property subject to the uniform statewide fees is located in the same proportion in which
322 revenues collected from the ad valorem property tax are distributed.

323 (b) Each taxing entity described in Subsection (5)(a) that receives revenues from the uniform
324 statewide fees imposed by this section shall distribute the revenues in the same proportion in which
325 revenues collected from the ad valorem property tax are distributed.

326 (6) (a) For purposes of the uniform statewide fee imposed by this section, the length of a
327 vessel shall be determined as provided in this Subsection (6).

328 (b) (i) Except as provided in Subsection (6)(b)(ii), the length of a vessel shall be measured as
329 follows:

330 (A) the length of a vessel shall be measured in a straight line; and

331 (B) the length of a vessel is equal to the distance between the bow of the vessel and the stern
332 of the vessel.

333 (ii) Notwithstanding Subsection (6)(b)(i), the length of a vessel may not include the length of:

334 (A) a swim deck;

335 (B) a ladder;

336 (C) an outboard motor; or

337 (D) an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C) as
338 determined by the commission by rule.

(iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may by rule define what constitutes an appurtenance or attachment similar to Subsections (6)(b)(ii)(A) through (C).

(c) The length of a vessel:

(i) (A) for a new vessel, is the length:

(I) listed on the manufacturer's statement of origin if the length of the vessel measured under Subsection (6)(b) is equal to the length of the vessel listed on the manufacturer's statement of origin; or

(II) listed on a form submitted to the commission by a dealer in accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b) is not equal to the length of the vessel listed on the manufacturer's statement of origin; or

(B) for a vessel other than a new vessel, is the length:

(I) corresponding to the model number if the length of the vessel measured under Subsection (6)(b) is equal to the length of the vessel determined by reference to the model number; or

(II) listed on a form submitted to the commission by an owner of the vessel in accordance with Subsection (6)(d) if the length of the vessel measured under Subsection (6)(b) is not equal to the length of the vessel determined by reference to the model number; and

(ii) (A) is determined at the time of the:

(I) first registration as defined in Section 41-1a-102 that occurs on or after January 1, 2006; or

(II) first renewal of registration that occurs on or after January 1, 2006; and

(B) may be determined after the time described in Subsection (6)(c)(ii)(A) only if the commission requests that a dealer or an owner submit a form to the commission in accordance with Subsection (6)(d).

(d) (i) A form under Subsection (6)(c) shall:

(A) be developed by the commission;

- 365 (B) be provided by the commission to:
- 366 (I) a dealer; or
- 367 (II) an owner of a vessel;
- 368 (C) provide for the reporting of the length of a vessel;
- 369 (D) be submitted to the commission at the time the length of the vessel is determined in
- 370 accordance with Subsection (6)(c)(ii);
- 371 (E) be signed by:
- 372 (I) if the form is submitted by a dealer, that dealer; or
- 373 (II) if the form is submitted by an owner of the vessel, an owner of the vessel; and
- 374 (F) include a certification that the information set forth in the form is true.
- 375 (ii) A certification made under Subsection (6)(d)(i)(F) is considered as if made under oath
- 376 and subject to the same penalties as provided by law for perjury.
- 377 (iii) (A) A dealer or an owner that submits a form to the commission under Subsection (6)(c)
- 378 is considered to have given the dealer's or owner's consent to an audit or review by:
- 379 (I) the commission;
- 380 (II) the county assessor; or
- 381 (III) the commission and the county assessor.
- 382 (B) The consent described in Subsection (6)(d)(iii)(A) is a condition to the acceptance of
- 383 any form.
- 384 (7) (a) A county that collected a qualifying payment from a qualifying person during the
- 385 refund period shall issue a refund to the qualifying person as described in Subsection (7)(b) if:
- 386 (i) the difference described in Subsection (7)(b) is \$1 or more; and
- 387 (ii) the qualifying person submitted a form in accordance with Subsections (7)(c) and (d).
- 388 (b) The refund amount shall be calculated as follows:
- 389 (i) for a qualifying vehicle, the refund amount is equal to the difference between:
- 390 (A) the qualifying payment the qualifying person paid on the qualifying vehicle during the

391 refund period; and

392 (B) the amount of the statewide uniform fee:

393 (I) for that qualifying vehicle; and

394 (II) that the qualifying person would have been required to pay:

395 (Aa) during the refund period; and

396 (Bb) in accordance with this section had this bill been in effect during the refund period; and

397 (ii) for a qualifying watercraft, the refund amount is equal to the difference between:

398 (A) the qualifying payment the qualifying person paid on the qualifying watercraft during the

399 refund period; and

400 (B) the amount of the statewide uniform fee:

401 (I) for that qualifying watercraft;

402 (II) that the qualifying person would have been required to pay:

403 (Aa) during the refund period; and

404 (Bb) in accordance with this section had this bill been in effect during the refund period.

405 (c) Before the county issues a refund to the qualifying person in accordance with Subsection

406 (7)(a) the qualifying person shall submit a form to the county to verify the qualifying person is entitled

407 to the refund.

408 (d) (i) A form under Subsection (7)(c) or (8) shall:

409 (A) be developed by the commission;

410 (B) be provided by the commission to the counties;

411 (C) be provided by the county to the qualifying person or tangible personal property owner;

412 (D) provide for the reporting of the following:

413 (I) for a qualifying vehicle:

414 (Aa) the type of qualifying vehicle; and

415 (Bb) the amount of cubic centimeters displacement;

416 (II) for a qualifying watercraft:

417 (Aa) the length of the qualifying watercraft;

418 (Bb) the age of the qualifying watercraft; and

419 (Cc) the type of qualifying watercraft;

420 (E) be signed by the qualifying person or tangible personal property owner; and

421 (F) include a certification that the information set forth in the form is true.

422 (ii) A certification made under Subsection (7)(d)(i)(F) is considered as if made under oath
423 and subject to the same penalties as provided by law for perjury.

424 (iii) (A) A qualifying person or tangible personal property owner that submits a form to a
425 county under Subsection (7)(c) or (8) is considered to have given the qualifying person's consent to
426 an audit or review by:

427 (I) the commission;

428 (II) the county assessor; or

429 (III) the commission and the county assessor.

430 (B) The consent described in Subsection (7)(d)(iii)(A) is a condition to the acceptance of
431 any form.

432 (e) The county shall make changes to the commission's records with the information received
433 by the county from the form submitted in accordance with Subsection (7)(c).

434 (8) A county shall change its records regarding an item of qualifying tangible personal
435 property if the tangible personal property owner submits a form to the county in accordance with
436 Subsection (7)(d).

437 (9) (a) For purposes of this Subsection (9) "owner of tangible personal property" means a
438 person that was required to pay a uniform statewide fee:

439 (i) during the refund period;

440 (ii) in accordance with this section; and

441 (iii) on an item of tangible personal property subject to the uniform statewide fees imposed
442 by this section.

443 (b) A county that collected revenues from uniform statewide fees imposed by this section
444 during the refund period shall notify an owner of tangible personal property:

445 (i) of the tangible personal property classification changes made to this section pursuant to
446 this bill;

447 (ii) that the owner of tangible personal property may obtain and file a form to modify the
448 county's records regarding the owner's tangible personal property; and

449 (iii) that the owner may be entitled to a refund pursuant to Subsection (7).

450 **Section 2. Effective date.**

451 If approved by two-thirds of all the members elected to each house, this bill takes effect on
452 December 30, 2006.

453 **Section 3. Revisor instructions.**

454 (1) It is the intent of the Legislature that, in preparing the Utah Code database for
455 publication, the Office of Legislative Research and General Counsel shall replace the reference in
456 Subsection 59-2-405.2(1)(r)(ii) from "the day before the effective date of this bill" to the actual date
457 of the day before the effective date of this bill.

458 (2) It is the intent of the Legislature that, in preparing the Utah Code database for
459 publication, the Office of Legislative Research and General Counsel shall replace the references in
460 Subsections 59-2-405.2(7)(b)(i)(B)(II)(Bb), (7)(b)(ii)(B)(II)(Bb), and (9)(b)(i) from "this bill" to the
461 bill's designated section and chapter number in the Laws of Utah.